

Accounting Aid Society
Site Coordinator Update – April 4, 2026

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Best Practices

At this time of year, we typically see more complicated tax returns. Please continue to practice due diligence and remind all volunteers and staff that they should ask a question of the site coordinator if they see something unusual or something for which they have not been trained.

Income Guideline

We may see more clients come in with higher income than we typically see. A reminder about Accounting Aid Society’s income guideline – We serve taxpayers with income up to \$69,000 for both individuals and families. After the intake/interview is completed, the screener or preparer should add up both taxable and nontaxable income listed on both intake sheets, federal and Michigan. If the total is above \$69,000, they should let the site coordinator know before starting the return in TaxSlayer. The site coordinator must contact Maysaa Rahal to get approval for preparing any return that is above our income ceiling

Help to Reduce the Number of Rejected Returns

We continue to see a high rate of rejected returns for the following two reasons: An Identity Protection PIN (IP PIN) was not entered for the taxpayer and Form 8962, Premium Tax Credit, was not included with the electronically filed return, that is, the IRS database indicates the taxpayer, spouse and/or dependent had health insurance through the federal Marketplace.

In order to help reduce the number of rejected returns in these last days of the filing season, we ask that all preparers and quality reviewers be reminded of the following best practices:

IDENTITY PROTECTION PIN (IP PIN)

- **Intake/Interview** – The questions for taxpayer, spouse and dependent on page 1 of the Intake/Interview and Quality Review Sheet **must** be reiterated to the client.
- Both the preparer **and** the quality reviewer must address the IP PIN questions.
- In addition to asking the question as posed on the intake/interview sheet, ask the taxpayer:
 - If anyone on the return has been a victim of tax-related identity theft in the past?
 - Do they recall if they or anyone on the return applied for an IP PIN?
 - Has an IP PIN been entered on prior year returns?
 - If they filed a prior year return (whether with us or another tax preparer), were they contacted by us or the other preparer regarding an IP PIN?

- **Notes in TaxSlayer and Warning About Your Federal Return** – Both the preparer and the quality reviewer must review any Notes in TaxSlayer and any Warnings About Your Federal Return to see if there is anything in those two places regarding an IP PIN. The quality reviewer must review the Summary Print pages in TaxSlayer.
- If there is an indication that the taxpayer, spouse, and/or dependent has an IP PIN and they do not have it with them, **do not start the return in TaxSlayer**. Complete the intake/interview to make sure the taxpayer has all other documents and information needed to prepare the return. Advise the taxpayer of the following:
 - If the individual has an IRS online account, they should be directed to log in the account and retrieve their IP PIN. If they have access to the information on their phone, this could be done at the tax site.
 - If they do not have an IRS online account, please ask them to call the IRS at 800-908-4490, Monday-Friday, 7:00 a.m. to 7:00 p.m., to have the IP PIN reissued. Once they receive the IP PIN in the mail, they should call Accounting Aid Society to make another appointment.
 - Add a Note in TaxSlayer, including the date of the Note and “IP PIN” in the title, about the circumstances regarding the PIN.
 - We do not want to start a return in TaxSlayer where the taxpayer may not return to have us complete their return.
- If the return had already been started in the software and an IP PIN is missing, please *do not file the return*, either electronically or by paper. *Do not e-file* a State-Only return. Ask the taxpayer to contact us once they have the IP PIN.

HEALTH INSURANCE THROUGH THE FEDERAL MARKETPLACE

- **Intake/Interview** – The “Purchase health insurance through the Marketplace (Exchange)” question on page 3 of the Intake/Interview and Quality Review Sheet must be reiterated with the taxpayer by both preparer and quality reviewer. Additional questions should be asked:
 - Ask if anyone on the return purchased health insurance through the Marketplace.
 - Did you, your spouse, or dependent sign up for health insurance through the Affordable Care Act or Obamacare?
 - Did you receive Form 1095-A, Health Insurance Marketplace Statement, or any other form regarding health insurance (such as Form 1095-B or Form 1095-C)?
 - For their prior year return, were they informed the return rejected because Marketplace information was not entered in the return?
 - Did they talk with an insurance agent at any time about signing up for health insurance?
 - Have they ever gone to healthcare.gov or called the Marketplace?
 - If taxpayer states they didn’t have health insurance through the Marketplace, ask what type of health insurance each individual on the return had for the tax year. Document this in the gray section on page 3 of the federal intake/interview sheet.
- **Notes in TaxSlayer and Warning About Your Federal Return** – Both the preparer and the quality reviewer must review any Notes in TaxSlayer and any Warnings About Your Federal

Return to see if there is anything in those two places regarding health insurance, Form 1095-A, or Form 8962. The quality reviewer must review the Summary Print pages in TaxSlayer.

Personally Identifiable Information and the Intake/Interview Sheets

We are aware that some sites are recording additional personally identifiable information (PII) in the Additional Notes/Comments section on page 5 of the Intake/Interview and Quality Review Sheet.

- For the security of the taxpayer's information, please **DO NOT** write bank information (routing number and bank account number) or a deceased spouse's Social Security number on either the federal or Michigan intake/interview sheets.
- Additionally, when entering this information in TaxSlayer, it should be entered off of the source document and not from written notes. The quality reviewer should also be looking at the source document during the quality review.

Out of Scope Situations

Be sure to check the IRS reference materials for situations and forms/schedules that are out of scope (OOS) for the VITA program. As noted above, we may see more complicated returns and also returns that are out of scope.

- Publication 4012-A – The **Scope of Service chart**, beginning on page vi, lists both in scope and out of scope forms and schedules. When looking up a form or schedule, take note of any scope limitations and also if advanced certification or another certification is required.
 - For Form 1040 and Schedules 1 through 3, the Scope of Service chart lists the line items from the form or schedule. It can be helpful to look here first when determining if an item is in scope and then also look at what is listed for the information document the taxpayer received and/or type of income or expense.
 - In addition to referring to the Scope of Service chart, look at the applicable tax law topic section in Pub 4012-A for any clarification on an OOS situation or for additional situations that may be out of scope.
 - If a form or schedule is not listed, it is out of scope because no training has been provided.
- Publication 4491 – Refer to the applicable chapter in the Volunteer Training Guide. Out of scope situations are summarized at the end of each chapter, but also within each chapter there may be a more descriptive explanation of an OOS situation.
- Note: If a volunteer or staff member has not been trained on an in-scope tax law topic, that topic is OOS for that volunteer or staff member.

Michigan and City Tax Returns – If you have questions on whether a form, schedule or situation is in scope for preparing a Michigan or city return, please consult with Maysaa Rahal.

\$1 AGI Returns

When entering \$1 in TaxSlayer for "Other Income Not Reported Elsewhere", please make sure all preparers and quality reviewers know the description entered should be "**IN ORDER TO E-FILE**".

Printing Taxpayer's Copy of the Tax Return

A reminder that the taxpayer's copy of their electronically filed tax return and any returns that are to be mailed in should be printed **one-sided**. This makes it easier for the taxpayer to reference the pages of their return and to separate one tax form from another.

Michigan Return – Pension/Retirement Subtraction

Retirement/Pension Distribution From a Deceased Spouse

If a taxpayer is claiming a subtraction on the Michigan return for a retirement/pension distribution from a deceased spouse (Code 4 in Box 7 of Form 1099-R), information about the deceased spouse must be entered in TaxSlayer so that Form 4884, Michigan Pension Schedule, will be completed correctly. The following information must be entered in addition to checking the box for Deceased Spouse.

- Name of the deceased spouse.
- Social Security number of the deceased spouse.
- Date of birth for the deceased spouse.
- Year of death for the deceased spouse. (Although not required on Form 4884, TaxSlayer requires the entry.)

It is reported that taxpayers are receiving letters from Michigan Department of Treasury when the Deceased Spouse box is checked on line 8 of Form 4884, Michigan Pension Schedule, and there is no Deceased Spouse Information entered in Part 2 of the form.

Please take the time to gather and enter this information in the software in order to avoid the issuance of a letter from Treasury and a delay in the receipt of any refund due the taxpayer.